TROY BANK & TRUST, JOHN R. RAMAGE

Proposal and Comment Information

Title: Proposed Revisions to the Federal Reserve Policy on Payment System Risk and the Guidelines for Account and Services Requests, OP-1878

Comment ID: FR-2026-0013-01-C30

Subject

Docket No. OP-[1878]

Submitter Information

Organization Name: Troy Bank & Trust

Organization Type: Organization

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Submitted Date: 07/17/2026

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Benjamin W. McDonough
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington, DC 20551

Dear Secretary McDonough:

Thank you for considering the concerns of community banks and for reviewing these comments which I have attached to this email. I appreciate the opportunity to provide input on this important proposal.

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July 17, 2026

Benjamin W. McDonough
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington, DC 20551

RE: Proposed Revisions to the Federal Reserve Policy on Payment System Risk and the Guidelines for Account and Services Requests [Docket No. OP-1878]

Dear Secretary McDonough:

As Chief Administrative Officer of Troy Bank & Trust, a $1.6 billion community bank that has proudly served Southeast Alabama since 1906, I appreciate the opportunity to comment on the Board's proposal to establish a special-purpose payment account. Our customers include families, small businesses, farmers, educators, healthcare professionals, and local industries that depend on strong community relationships and local decision-making.

Community banks meet rigorous standards for capital, supervision, consumer protection, and deposit insurance. These requirements protect depositors, support responsible local lending, and help maintain the safety and integrity of the payment system.. By granting direct access to the Federal Reserve payment system to institutions that are not subject to the same prudential, supervisory, and community-focused requirements, the proposal extends the benefits of Federal Reserve access without the corresponding safeguards. It could also divert deposits and payment activity away from the community banks like ours that support local economic development. Community banks account for 97 percent of the nearly 4,600 banks in America while making 60 percent of all small business loans and 80 percent of all agricultural loans. Community banks are the only physical banking presence in about one out of every three U.S. counties. In many rural communities, if the local community bank were to leave, residents and small businesses could lose access to in-person banking services altogether.

I am also concerned about the risk to the payment system. Extending this access shifts critical responsibilities, including Bank Secrecy Act/anti-money laundering and sanctions compliance, onto entities that may be subject to less oversight than federally supervised banking institutions.

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If the Board proceeds, I urge it to adopt strong, mandatory guardrails: low limits on account balances and the number of accounts during an initial pilot period; mandatory Bank Secrecy Act/anti-money laundering and sanctions compliance obligations for all account holders; clear off-ramps and ongoing review if risks emerge; and an explicit statement that a payment account is not a pathway to a master account. Access to the Federal Reserve's accounts and services should remain tied to strong prudential oversight.

Troy Bank & Trust plays a vital role in strengthening our communities by providing trusted financial services, supporting local businesses, and helping families achieve their financial goals. A safe and fair payment system is essential because it gives our customers confidence that their transactions are secure, reliable, and accessible, enabling them to manage their finances and participate fully in the local economy.

Thank you for considering the concerns of community banks and for reviewing these comments. I appreciate the opportunity to provide input on this important proposal.

Respectfully,

John R. Ramage
Chief Administrative Officer